



State of Utah
Department of
Natural Resources

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Division of
Oil, Gas & Mining

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Lieutenant Governor

August 30, 2005

Wayne Nielson
Nielson Construction Company
P.O. Box 620
Huntington, Utah 84528

Subject: Incomplete Notice of Intention to Commence Small Mining Operations,
Nielson Construction Company, Nielson Construction Limestone Mine,
S/049/052, Utah County, Utah

Dear Mr. Nielson:

On July 29, 2005, the Division received the revised Notice of Intention (Notice) for the referenced mine. SITLA notified the Division that the lease is expected to be approved this week. They also indicated to us that the legal description of the lease and the Notice did not match (SITLA is still proceeding to approve the lease). Therefore, before the Division can accept your Notice and approve the surety, you will need to either amend your lease to include the SE/4 of the SE/4 of the NE/4, or revise your notice to exclude operations in this area (this would include revising the text and map in your Notice and revising the legal description and map with your reclamation surety and reclamation contract).

At this time, the reclamation contract and surety remain incomplete. The surety bond with Liberty Mutual Insurance Company executed on June 10, 2005 requires the following information:

- Paragraph two: Include the acceptance date of your small mine notice. (Once the Division receives the revised text and map, we should be able to accept the Notice and provide you with this date.)
- Paragraph two: Change the disturbed land acreage from eighty (80) acres to the exact acreage that will be disturbed.
- Ensure there is a complete and accurate legal description on Attachment A of the reclamation contract.
- Submit the original Surety Bond with seals, original power of attorney, and affidavit of qualification (issued by Liberty Mutual

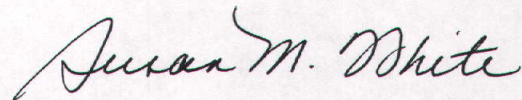
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Insurance Company, no. 965-005-228). *We only have a copy of the incomplete and incorrect Surety bond.*

The reclamation contract and map(s) have not been received by this office. Beth Ericksen has sent via email a blank reclamation contract form for your use. For assistance in completing the surety and reclamation contract, please contact Minerals Surety Coordinator, Beth Ericksen, 801-538-5318.

Please note, until these issues are resolved, you are **not authorized** to conduct mining operations at this site. The Division will suspend its processing of your notice until we receive a response to this letter. Please contact me at (801) 538-5258 or Lynn Kunzler at 538-5310 if you have any questions in this regard.

Sincerely,



Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:lk:jb
cc : John Blake, SITLA
Beth Ericksen, DOGM
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